

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6317**

**BILL NUMBER:** HB 1059

**NOTE PREPARED:** Feb 17, 2005

**BILL AMENDED:** Feb 1, 2005

**SUBJECT:** Chemical Munitions Disposal and Transport.

**FIRST AUTHOR:** Rep. Grubb

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **X FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that a hazardous waste facility that generates or treats certain hazardous wastes associated with chemical munitions must demonstrate that the wastes will be destroyed or treated to certain standards or levels. It requires the Department of Environmental Management (IDEM) to implement an inspection and oversight protocol to ensure enforcement. The bill also requires a person that transports chemical munitions or hazardous waste derived from chemical munitions to file with IDEM, the State Police Department, and the State Emergency Management Agency a transport risk analysis and a transport safety plan, including an estimated shipment schedule. The transporter must also submit a transportation fee of \$200 to the IDEM Commissioner for each shipment. The bill requires the fees to be deposited in the Chemical Munitions Response Fund to provide money for: (1) counties that contain a hazardous waste facility used for the destruction or treatment of a chemical munition; and (2) state agencies involved in the transportation of chemical munitions or hazardous waste derived from chemical munitions; to be used for certain purposes related to handling and transportation of those substances.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) This bill will require a person proposing to transport munition-related hazardous wastes to provide their own transport risk assessment. According to IDEM, the Department has currently spent \$13,000 on contracting out transport risk assessments and has encumbered another \$10,000 for this purpose. These expenses are paid through the Newport Cooperative Agreement IDEM has with the U.S. Department of Defense. Because these federal funds from the agreement may not be utilized for any other IDEM expenditures, this provision of the bill will not have an impact on the agency.

IDEM is currently in the process of implementing an inspection and oversight protocol; therefore, the provision requiring such a protocol will have no additional impact on the Department.

*Chemical Munitions Response Fund (CMRF).* The bill establishes the CMRF. IDEM must administer the fund. Money in the fund is annually appropriated to IDEM. Expenses of administering the fund must be paid from money in the fund.

**Explanation of State Revenues:** (Revised) Shipments of hydrolysate and other VX-derived wastes are estimated at between 200 to up to 1,000 over the life of the project. Given this range, the \$200 fee could generate between \$40,000 and \$200,000. The fee must be submitted to the IDEM Commissioner. The Commissioner must deposit the fee in the CMRF.

Fifty percent of the money in the fund must be distributed to state agencies that are involved in the transportation of the substances for the following purposes:

- (A) To provide education, training, and equipment to state emergency responders.
- (B) To repair and maintain roads used to transport the substances.
- (C) To prevent, prepare for, and respond to acts of terrorism involving the substances.
- (D) Any other purpose associated with the transportation of or public safety issues concerning the substances.

The Treasurer of State must invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) Fifty percent of the money in the CMRF must be distributed to counties that contain a hazardous waste facility that is used for the destruction or treatment of a chemical munition for the following purposes:

- (A) To provide education, training, and equipment to local emergency responders.
- (B) To repair and maintain roads used to transport substances.
- (C) To prevent, prepare for, and respond to acts of terrorism involving substances.
- (D) Any other purpose associated with the transportation of or public safety issues concerning the substances.

**State Agencies Affected:** Department of Environmental Management; Treasurer of State; state agencies involved in the transportation of the substances.

**Local Agencies Affected:** Counties that contain a hazardous waste facility that is used for the destruction or treatment of a chemical munition.

**Information Sources:** Wendy Hoffspiegel, Department of Environmental Management.

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.